



CENTRAL INTELLIGENCE AGENCY

THE PRESIDENT'S DAILY BRIEF



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7 DECEMBER 1965

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1. North Vietnam

[redacted]
[redacted] the site has encountered serious technical difficulties with its missiles. [redacted]

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It is likely that other sites have encountered similar difficulties, probably caused in many cases by constant movement of fragile equipment from site to site. The Vietnamese weather is another factor, as is the fact that North Vietnamese seem to be taking over responsibility from the Soviets for on-site checkout of missiles and gear.

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2. South Vietnam

The Viet Cong today announced that they would observe a cease-fire from 6:00 p.m. local time Christmas Eve until 7:00 a.m. the next morning. The Communists have declared unilateral cease-fires before. In the past, these have always been in observance of Vietnamese New Year, not Christmas.

The gesture this year probably is designed for its impact on Americans in addition to the usual aim of trying to create the impression among Vietnamese that it is the Viet Cong who call the shots.

[redacted]
[redacted] Communist forces are making ever wider use of a new family of automatic weapons, which give them a firepower advantage at close range over friendly units, except those equipped with the M-16 rifle. This is important, for Communists now try to keep very close to US and Allied units.

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3. Rhodesia

The Africans and their friends are stepping up the pressure for more forceful British action against Rhodesia.

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Even the moderate Nigerian Government has hardened considerably toward London on this issue. The Nigerians evidently regret some of the extreme resolutions passed at the recent meeting of African foreign ministers, but they are desperately seeking some dramatic action by Britain to save them from having to reveal the relative impotence of the Africans themselves.

In London, on the other hand, Wilson's bipartisan support is dissolving as he makes his own tougher noises. Even the usually pro-Wilson Daily Mirror, the world's largest circulation daily, has raised a warning flag against any military operations in Rhodesia.

4. Greece

Premier Stephanopoulos' shaky government is increasingly worried over Greece's economic slide. Public confidence is ebbing rapidly; in recent weeks there has been a sharp increase in gold buying and a drop in savings bank deposits.

Stephanopoulos wants to take rigorous measures to redeem the situation. He doubts that parliament will approve them, however, unless he gets US help at the same time. To emphasize the gravity of his problem, the government has had King Constantine write to President Johnson requesting a loan.

The overshadowing development which Greek moderate politicians fear is that economic deterioration will lead to a new political crisis and revive the threat of a royal military dictatorship.

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5. Communist China

The game of [redacted] editorial and counter-editorial, between Peking and Moscow, is continuing. The pace has increased lately, but the rules have apparently not changed.

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The Soviets are still following a relatively restrained line [redacted] but this does not prevent them from responding forcefully, as they have in recent Pravda articles, when they think that Peking is vulnerable.

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6. Indonesia

Sukarno's emotional appeal on Sunday evidently did not move the army leaders. General Nasution returned to the charge in a speech yesterday, stating that organizations and activities of the Communist Party must be destroyed.

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7. Soviet Union

The announcement of a five percent increase in defense spending in the 1966 Soviet budget does not represent any significant new departure in Soviet policy. The 1966 figure of 13.4 billion rubles is still a half billion below the all-time high of 1963.

The actual magnitude of Soviet military spending is heavily camouflaged. Increases or decreases of this magnitude are announced for domestic and foreign political impact, and do not themselves reflect actual Soviet defense programs. There are special problems in analysis this year because of the fiscal reforms announced by Kosygin last September.

The figures available at the moment nevertheless suggest that Soviet military expenditure is likely to increase, probably at the expense of the civilian economy. In particular, it seems probable that Brezhnev's agricultural reform program may suffer.

Our knowledge of Soviet strategic attack and defense development and deployment programs is also consistent with some increase in the defense budget.

8. Dominican Republic

Garcia Godoy's hopes of integrating rebel military into the regular armed forces have been dimmed again.

On the surface, the problem is still to reconcile the lists of names submitted by the rebels with the list of "acceptables" that the regular commanders have drawn up. The real problem, however, may be that the rebel leaders do not want to integrate. They may believe that they can keep their political leverage only if they keep their fighters together in a separate group.

9. Uruguay

Yet another round of labor trouble has begun in Montevideo. The civil service union yesterday began a strike of indefinite length.

The main issue now is the government's refusal to lift penalties imposed on workers who took part in earlier strikes. The government is still taking a tough line, and has again put emergency security measures into effect.

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